



July 11, 2019

BY CERTIFIED MAIL

Ron Heineman, President  
Cincinnati Christian University  
2700 Glenway Ave.  
Cincinnati, OH 45204

Dear President Heineman,

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Cincinnati Christian University (“the Institution” or CCU). This action is effective as of the date the Board acted, June 27, 2019. In taking this action, the Board considered materials from the most recent comprehensive evaluation, including, but not limited to: the Assurance Filing the Institution submitted, the report from the comprehensive evaluation team, the report of the Institutional Actions Council (IAC) Hearing Committee, and the institutional responses to these reports.

**Summary of the Action:** The Board has issued a Show-Cause Order to the Institution. A Show-Cause Order is a procedural order that requires an institution to present its case as to why accreditation should not be withdrawn. In taking this action, the Board determined that the Institution meets Core Components 1.A, 3.C, 3.D, 4.A, 4.C, 5.B, 5.C, and 5.D with concerns. The Institution does not meet Core Components 2.A, 2.C, 4.B, and 5.A. The Institution is out of conformity with Assumed Practices A.1, A.2, and B.2.B. The Institution is required to host a Show-Cause Evaluation no later than December 1, 2019. The Institution must also file a Provisional Plan with HLC no later than August 30, 2019, for review and approval by the Institutional Actions Council according to HLC’s substantive change procedures.

**Institutional Disclosure Obligation:** HLC policy<sup>1</sup> requires that an institution inform its constituencies, including Board members, administrators, faculty, staff, students, prospective students, and any other constituencies about Show-Cause Order and how to contact HLC for further information. HLC policy anticipates that an institution completes these notifications within fourteen days of the date of receipt of the Show-Cause Order. HLC policy also requires that the institution publish the Show-Cause Order prominently on its website and that it disclose this status whenever it refers to HLC accreditation. HLC will monitor these disclosures to ensure they are accurate and in keeping with HLC policy. The institution must submit drafts of its planned disclosures to these various audiences to its HLC Staff Liaison in advance of transmission and provide the staff liaison with a link to relevant information on its website. At a minimum, in

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<sup>1</sup> INST.E.30.010, Show-Cause.

addition to publishing the Show-Cause Order, an institution must: i) provide a copy of this Action Letter to its governing board, administration, and faculty, ii) provide a copy of the enclosed Public Disclosure Notice to its currently enrolled students, and iii) prominently display the Mark of Affiliation where accreditation status is described on its website. Once disclosures have been made, the Institution must submit copies of its disclosure documents as a single .pdf file to [disclosures@hlcommission.org](mailto:disclosures@hlcommission.org) no later than 14 days following receipt of this Action Letter. HLC will retain this information as part of the Institution's record.

### **Board Rationale**

The Board based its action on the following findings made with regard to the institution:

The Institution meets, but with concerns, Criterion One, Core Component 1.A, "the institution's mission is broadly understood within the institution and guides its operations," for the following reasons:

- In 2018, the CCU Board revised the mission statement without a process suited to the nature and culture of the Institution, and there is no evidence that CCU's mission is broadly understood.
- Faculty and staff were unclear on how the mission was guiding the current direction of the Institution.
- The shift toward liberal arts, along with a shift in the recruitment strategies toward a heavy reliance on recruitment of athletes, has caused many to be less certain of what the mission is, since the student composition is significantly different from the populations previously served. In recent years, CCU has introduced more professional programs, such as Business Administration, to attract and enroll a broader student base. This represents another shift of mission.
- The Institution's shift in mission and student body was not submitted for consideration within HLC's substantive change process.

The Institution does not meet Criterion Two, Core Component 2.A, "the institution operates with integrity in its financial, academic, personnel, and auxiliary functions; it establishes and follows policies and processes for fair and ethical behavior on the part of its governing board, administration, faculty, and staff," for the following reasons:

- One of the complexities of CCU's governance structure is the President's additional role as the Chief Restructuring Officer (CRO) for the Institution's primary lender (Central Bank), and the fact that there is no documentation of the relationship with the bank or the terms of the agreement. The President considers the bank's interests to take precedence over institutional interests, and he serves in the CRO role because the line of credit is essential to CCU's survival.
- The President also serves as a member of the Board of Trustees because he intends to continue his role on the Board after he concludes his service as President. The Institution took action following the team visit to pass a temporary (12-month) amendment to its By-laws that allows the President to participate in Board meetings as a non-voting member.

- Conflicts of interest are posed by the President's trio of roles, as he is expected to privilege the interests of CCU over the bank.

The Institution does not meet Criterion Two, Core Component 2.C, "the governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity," and is out of conformity with Assumed Practices A.1, "the institution has a conflict of interest policy that ensures that the governing board and the senior administrative personnel act in the best interest of the institution," and A.2, "the institution has ethics policies for faculty and staff regarding conflict of interest, nepotism, recruitment and admissions, financial aid, privacy of personal information, and contracting," for the following reasons:

- The line of credit, which appears to have been negotiated by the current President when he was serving as Trustee and chair of the Board Finance Committee, was necessary to allow CCU to meet the requirements of Title IV in light of the current CFI score (<0.5).
- It does not appear that the Board is currently involved in bank relationships, except through the President, who was appointed to his role as CRO by the Institution's primary lender. No documentation related to the lender's appointment of the President as CRO has been provided.
- CCU is not in compliance with its By-laws, which indicate that the President should serve in an advisory capacity to the Board. No documentation substantiating recent changes to ameliorate this fact has been provided; CCU's description of recent amendments to its By-laws is temporary.
- Except for privileged items such as personnel matters, acquisitions, or mergers, CCU exhibits a lack of transparency of Board operations, evidenced by no public meeting minutes reporting the Board's decisions.
- The Institution presented no plans for improvement of transparency beyond the suggestion to create a weekly newsletter.
- CCU lacks a documented job description for the President's position as both CEO and CRO and lacks any process for performance evaluation or evidence of the completion of a performance evaluation.

The Institution meets, but with concerns, Criterion Three, Core Component 3.C, "the institution has the faculty and staff needed for effective, high-quality programs and student services," and is out of conformity with Assumed Practice B.2.B, "instructors teaching in graduate programs should hold the terminal degree determined by the discipline and have a record of research, scholarship or achievement appropriate for the graduate program," for the following reasons:

- The faculty-to-student ratio has increased from 1:21 to 1:37 since last reported due to the influx of student athletes.
- Rising faculty-to-student ratios may not comply with the expectations of programmatic accrediting agencies, which could have negative consequences for students.
- CCU has 17 faculty who are primarily teaching faculty, as well as approximately 9 instructors who are considered part-time and teach, advise, and mentor students. In addition, approximately 40-70 adjuncts teach per semester. Evidence indicates that the

- number of individuals available to teach the FTE of 666 students may not be sufficient.
- Student surveys conducted over several years indicate that students were significantly impacted by the loss of faculty.
- Although CCU has indicated that a list of instructors for the dual-credit program is not maintained because the program is small and the roster changes from semester to semester, the Institution failed to provide evidence that current faculty who have accepted teaching assignments in the dual-credit program meet HLC credentialing requirements.
- There is no evidence that faculty in the graduate program have a demonstrated record of research, scholarship or achievement as called for in HLC's Assumed Practice B.2.B.
- Personnel are fulfilling supervisory duties without holding the appropriate title.
- Staff are unable to attend ongoing professional development due to understaffing in several departments.
- The Institution has not provided evidence of a timeline or plan of action to increase personnel to support the changing student demographics.

The Institution meets, but with concerns, Criterion Three, Core Component 3.D, "the institution provides support for student learning and effective teaching," for the following reasons:

- CCU has not provided sufficient evidence that it assesses the level of effectiveness and student satisfaction with disability services.
- Student satisfaction with technology resources on campus is declining, with the score in related surveys dropping from 1.80 in 2015 to 1.51 in 2017.
- Students report insufficient IT staff and computers in the labs.
- There does not appear to be any leadership for the IT department. Services are outsourced and CCU acknowledges that the contractor is not well-versed with classroom technology problems.
- Library staff for a FTE of 666 students includes one full-time librarian and one full-time administrative assistant. This staffing level is the same as in 2013 and 2015 before the Institution had a large influx of students, especially those on a conditional plan. Three additional staff are available and work on a part-time or hourly schedule, and it appears that two of the three staff are focused on the catalog backlog.
- CCU has not demonstrated it has sufficient library personnel to conduct library services for faculty and both undergraduate and graduate students.

The Institution meets, but with concerns, Criterion Four, Core Component 4.A, "the institution demonstrates responsibility for the quality of its educational programs," for the following reasons:

- Program reviews have been hindered by the recent lack of a coherent, university-wide process for collecting and reviewing data that could inform strategies of continuous improvement.
- It does not appear that there is a common expectation for what program reviews should contain, or who is involved in the process.

- CCU has recently drafted a Program Review Schedule 2019-2024 along with an Assessment Plan 2019-2023. However, CCU still is in the beginning stages of course-, program- and university-level student learning outcome assessment and has not yet systematized a comprehensive, university-wide assessment process.

The Institution does not meet Criterion Four, Core Component 4.B, “the institution demonstrates a commitment to educational achievement and improvement through ongoing assessment of student learning,” for the following reasons:

- CCU did not provide any data from the assessment of university-level goals.
- The Assessment Plan 2019-2023 has recently been developed and, given that the plan begins in 2019, it is too soon to produce any evaluative results. The Institution was not able to provide any additional evidence of data from assessment of general education learning outcomes or co-curricular learning outcomes.
- CCU lacks sufficient evidence of consistent use of assessment data across the Institution to improve student learning over complete assessment cycles.
- The demographic shift of the student population to a student body with substantially greater need of academic supports and remedial education makes assessment essential to ensure student learning success.

The Institution meets, but with concerns, Criterion Four, Core Component 4.C, “the institution demonstrates a commitment to educational improvement through ongoing attention to retention, persistence, and completion rates in its degree and certificate programs,” for the following reasons:

- The Institution reports declining retention rates from 75% in 2014 to 51% in 2016. Graduation rates also have declined from 42% in 2015 to 32% in 2017.
- CCU shifted recruiting tactics beginning in 2015, and the number of student athletes grew from 150 to more than 400, of whom about 125 are football players.
- In fall 2017, there were just 39 incoming non-athletes, further reinforcing the issue identified in Criterion 1 about the change in the student populations served by CCU. For fall 2017 CCU reported a 47% conditional admission rate.
- CCU admissions standards have been reduced to meet enrollment targets. However, no evidence about the process for changed admission standards was provided.
- CCU’s Enrollment Management Strategy Summary Update had not been adopted or revised by upper administration or the Board.

The Institution does not meet Criterion Five, Core Component 5.A, “the institution’s resource base supports its current educational programs and its plans for maintaining and strengthening their quality in the future,” for the following reasons:

- In 2015, CCU’s Board of Trustees implemented an aggressive Restructure Plan with a view to reversing deficit spending trends, right-sizing resource allocations to reflect current realities and future priorities, and ensuring the long-term financial viability of the mission. At that time, CCU had a pattern of deficit spending, with expenditures exceeding revenues from tuition and gifts by \$350,000 per month. The plan called for expenditure reductions that eliminated about one-third of CCU’s administrative staff

and ten percent of the faculty. While the plan has forced changes to the operations of CCU, the Institution remains financially fragile.

- The Institution monitors its operating cash position closely and has needed to utilize its operating line of credit every month during the past 12-month period. It also maximized its line of credit authorization of \$1.7 million at least once during this period.
- For 2016, 2017 and 2018, the HLC Composite Financial Index (CFI) for CCU remained below 0.5 which for a private institution is “Below the Zone.”
- In July 2018, the Office of Federal Student Aid of the U.S. Department of Education determined that CCU failed to meet the standards of financial responsibility. As a result, CCU posted a letter of credit.
- The June 30, 2018 Consolidated Financial Audit reports a decrease in total liabilities and net assets from \$16,102,731 (2017) to \$14,623,049 (2018).
- Note 19 of the aforementioned audit raised substantial doubt about CCU’s ability to continue as a going concern due to recurring decreases in net assets.

The Institution meets, but with concerns, Criterion Five, Core Component 5.B, “the institution’s governance and administrative structures promote effective leadership and support collaborative processes that enable the institution to fulfill its mission,” for the following reasons:

- Within the framework of the current financial stresses facing CCU, the Board of Trustees has become more involved in the direct operation of the Institution. A trustee currently serves as both Chief Restructure Officer representing Central Bank & Trust and CEO/President.
- The By-laws indicate that a trustee's term is terminated upon employment in any capacity by the Institution. The current President receives no compensation; thus it could be argued that this arrangement does not violate the By-laws. However, the team concluded that the intent of the recently revised By-laws is that the President be advisory to the Board and not a voting member.
- The Institution did not produce any documentation that clarifies its relationship with Central Bank & Trust or sets forth the primacy of the Board’s fiduciary obligations.
- CCU’s Trustees have effectively taken direct oversight of every aspect of the Institution’s finances and of daily operations through the appointment of the current President/Trustee.
- There is no administrative or executive administrative committee other than the Academic Cabinet, although the President meets regularly with the Chief Financial Officer and Chief Academic Officer for updates and information on various aspects of the Institution's day-to-day operations.

The Institution meets, but with concerns, Criterion Five, Core Component 5.C, “the institution engages in systematic and integrated planning,” for the following reasons:

- CCU continues to face serious ongoing financial challenges, even though the restructuring process, with only a few university administrators and Board members privy to the issues and involved in strategies for addressing them.
- The primary revenue source for CCU is student enrollments through tuition and fees, and over the past 12 months the Institution has had to rely on a line of credit each

month to maintain operations.

- The Institution did not effectively anticipate the issues that would result from bringing in a large influx of athletes.
- CCU's financial situation is not fully resolved, as contemplated by the embedded monitoring on finances, nor is fiscal planning transparent to faculty and staff.
- The planning process has set a goal of 2,000 students, half of whom will be in online programs. CCU does not have online programs that will attract students, and those it attracts may be part-time enrollees.
- Presently, CCU cannot demonstrate that effective, achievable planning processes based on accurate and timely data are in place to achieve its mission and support its programs, and that these processes include relevant stakeholders.

The Institution meets, but with concerns, Criterion Five, Core Component 5.D, "the institution works systematically to improve its performance," for the following reasons:

- CCU's self-study has revealed that the Institution's current performance metrics are rigorously applied but narrow in focus.
- There are currently few quantitative measures of performance. CCU personnel realize the necessity of developing plans to which metrics can be applied and monitored.
- CCU is challenged to look to the future with realistic goals that are consistent with its mission.

The Institution generally meets the Federal Compliance Requirements, but additional monitoring is required for the following reasons:

- Given that CCU expects to earn revenue for each referral/transfer to Point University, the Institution should provide a summary report of the number of students involved with this agreement and the programs in which they are enrolled.
- CCU does not currently provide detailed, internally produced information on its website that also addresses completion rates by program or mode of delivery. In addition, the Institution does not currently maintain data related to the respective completion rates of students by demographic group, including ethnicity, gender, program of study, and athletics status.

The Institution is not in compliance with the Criteria for Accreditation, is out of conformity with the Assumed Practices, and requires additional monitoring related to the Federal Compliance Requirements and there is substantial doubt about whether it should remain accredited.

### Next Steps in the HLC Review Process

**Show-Cause Report:** The Board required that the Institution submit a Show-Cause Report no later than December 1, 2019, or at least eight weeks prior to the Show-Cause Evaluation, providing substantial evidence of ameliorating each item of concern identified by the Board and documenting that the Institution meets each of the Criteria for Accreditation, including each Core Component, all Assumed Practices, and all Federal Compliance requirements. Should the Institution not file its

Show-Cause Report by the stipulated deadline, the Board may move to withdraw the Institution's accreditation. The Board may waive notice and call for a special meeting any time after the deadline to consider such an action, or it may take such an action as early as its February 2020 meeting.

**Show-Cause Evaluation:** The Institution will host a Show-Cause Evaluation no later than February 2020 that will validate the contents of the Show-Cause Report and enable the Board to determine whether its concerns have been fully ameliorated and whether the Institution is in compliance with all Criteria for Accreditation, Assumed Practices, and Federal Compliance Requirements; otherwise, the Board has the authority to take any action appropriate under HLC policy up to and including withdrawing accreditation.

**Board Review:** The Institution will have an opportunity to meet with a committee of the Board of Trustees at a Board Committee Hearing, which will be on the record, prior to Board action, and the transcript of the hearing will be provided to the Board. The Board will then review the documents associated with the Show-Cause Evaluation Visit as soon as possible following the Board Committee Hearing, but not later than its June 2020 meeting, to determine whether the Institution's accreditation should be continued with or without monitoring or sanction, or if the Institution has not demonstrated compliance as noted above, whether accreditation should be withdrawn.

### **HLC Disclosure Obligations**

The Show-Cause Order is a public document that will appear on the HLC website. The Order will remain in effect until the Board reviews the Institution at its June 2020 meeting.

The Board action resulted in changes that will be reflected in the Institution's Statement of Accreditation Status as well as the Institutional Status and Requirements Report. The Statement of Accreditation Status, including the dates of the last and next comprehensive evaluation visits, will be posted to the HLC website.

Information about the Show-Cause Order is provided to members of the public and to other constituents in several ways. In accordance with HLC policy,<sup>2</sup> this Action Letter, the Show-Cause Order, and the enclosed Public Disclosure Notice will be posted to HLC's website not more than 24 hours after this letter is sent to the institution.

HLC policy<sup>3</sup> requires that a summary of Board actions be sent to appropriate state and federal agencies and accrediting associations. It also will be published on HLC's website. The summary will include this HLC action regarding the Institution. HLC will simultaneously inform the U.S. Department of Education of the Show-Cause Order by copy of this letter.

On behalf of the Board of Trustees, thank you in advance for your cooperation. If you have questions about any of the information in this letter, please contact your HLC Staff Liaison, Dr. Karen Solomon.

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<sup>2</sup> INST.G.10.010, Management of Commission Information

<sup>3</sup> COMM.A.10.010, Commission Public Notices and Statements



Sincerely,

A handwritten signature in cursive script, reading "Barbara Gellman-Danley".

Barbara Gellman-Danley  
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Cincinnati Christian University  
Tom Thatcher, Provost, Cincinnati Christian University  
Evaluation Team Chair  
IAC Hearing Committee Chair  
Karen Solomon, Vice President for Accreditation Relations and Director of the Standard  
Pathway, Higher Learning Commission  
Anthea Sweeney, Vice President for Legal and Governmental Affairs, Higher Learning  
Commission  
Stephanie McCann, Associate Vice Chancellor, Program Development & Approval, Ohio  
Department of Higher Education  
Herman Bounds, Accreditation and State Liaison, Office of Postsecondary Education, U.S.  
Department of Education